ESE Programme

War Damage Compensation and Enterprise Security Enhancement in Partnership with the EBRD and PrivatBank

ESE Programme – Enterprise Security Enhancement Programme



Programme Overview & Key Parties

Objective: Providing compensation for material damage caused by the armed aggression of the russian federation against Ukraine.

Parties: EBRD (Donor), PrivatBank (Intermediary), and the Borrower.

Mechanism: The EBRD payment is allocated exclusively toward partial repayment of the borrower's outstanding loan balance.

- The Programme applies to each Tranche individually, provided that this is specified in the relevant Effectiveness Notice/Letter of such Tranche.
- The maximum aggregate amount that the EBRD undertakes to pay to the Bank under any ESE Payment Request is specified in the relevant Effectiveness Notice/Letter of such Tranche **(for Tranche № 5: EUR 6,800,000; for Tranche № 7: EUR 4,200,000).**

Eligibility Criteria

Subject of Compensation
A loan where the financed tangible asset has been damaged

Non-Duplication
No compensation received from insurance companies, the state, or other sources over the last **12 months.**

Loan Type
Only investment loans **(CAPEX)** for purchasing tangible assets.

Loss Threshold
The damage amount must be **at least 10%** of the original loan amount.

Payment Limit
Total borrower loan exposure (within the tranche) capped at **EUR 5 million.**)

Cause of Damage
Only assets damaged directly as a result of the armed **aggression of the russian federation**

EBRD Compensation Amount

The "Lesser Of" Rule

! Option (A)

Confirmed War Damage Amount in EUR in respect of such Covered Loan

Actual amount of damage, recorded and documented in accordance with the Programme requirements.

Option (B)

EBRD Share of the Outstanding Loan Amount as of the relevant Reporting Date

EBRD liability limit calculated as a percentage of the outstanding loan balance.

Compensation Calculation:

Determined as the **lesser** of:

- Confirmed War Damage Amount
- · 50% of the Outstanding Loan Amount

Examples:

№1: Damage: 300k on 1M debt → **Payout: 300k**
№2: Damage: 700k on 1M debt → **Payout: 500k** (50% cap)

Borrower Limit: The aggregate original principal amount of all Covered Loans of the relevant Borrower under the respective Tranche must **not exceed EUR 5 million (or its equivalent in other currencies).**

Client Compensation Journey

From Application Submission to Compensation Confirmation



Step 1

Submission of the Application (standard template) and supporting documents to the Bank

Step 2

Bank Verification (War Damage Assessment) and Asset Valuation

Step 3

Preparation and submission of the Payment Request to the EBRD **(along with the semi-annual report)**

Step 4

EBRD Compensation Payment

Step 5

Loan principal repayment **(within 10 days)**

Step 6

Provision of evidence of debt repayment to the EBRD

Step 7

Monitoring for the absence of other damage compensation within **12 months** (from the application date)

Step 8

Refund of received compensation to the EBRD and recovery from the borrower if other compensation is identified at Step 7

Supporting Documents and War Damage Verification

Photographic Documentation

Photographs of the asset "before" and, where feasible, "after" damage, with mandatory display of VIN codes or serial numbers, **except** where direct access to the damaged assets is impossible.

Official Acts*

Inspection reports from Ukrainian authorities and an extract from the Register of Damaged Property.

Legal Basis*

Extract from the Unified Register of Pre-Trial Inquiries (URPI) on the registration of proceedings and copies of court decisions (if any).

Financial Evidence*

Purchase receipts, certificates of completion, depreciation schedules, and valuation reports.

*At least one, but preferably all of the following documents, to the extent available.

Risks and Fund Recovery

The Programme ensures strict oversight of the designated use of funds and the absence of double compensation.

Refund Condition:

If within **12 months** of application submission, the client receives compensation from an insurer or third parties:

They are obliged to refund the amount of such compensation (or the EBRD payment amount) to the bank within **3 BUSINESS DAYS.**

The Bank, in turn, must immediately remit the corresponding Refund of Previously Granted ESE Payment to the EBRD.

